

THE FUTURE OF ATTRIBUTION AND MEASURING SUCCESS IN A POST THIRD-PARTY COOKIE ERA

A Q&A WITH
MEMBERS OF THE
PROGRAMMATIC
TRADING COMMITTEE



Introduction

Since Google announced that third-party cookies were to become obsolete - extended now to 2023 - there are, and continue to be many questions about how digital marketing and advertising will work in a post third-party cookie world. Among them is the question of attribution. With current attribution and measurement techniques so heavily reliant on cookies, what will happen to attribution? And how will ad success measurement work in this new era?

To better understand the challenge of attribution and what we can expect for measuring success in the future, we caught up with members of the IAB Europe Programmatic Trading Committee to share their thoughts and expertise in an insightful Q&A.

Q&A with:

- Emmanuel Josserand, Senior Director Brand, Agency and Industry Relations, Freewheel
- Rémi Lemonnier, President & Co-founder, Scibids
- Akshay Bhattacharjee, Product Manager, Integral Ad Science (IAS)
- Jamie Penkethman, Product Marketing Director, Index Exchange

Q1. How does the demise of third-party cookies affect digital advertising attribution and measurement?



Emmanuel

“The imminent deprecation of third-party cookies and device identifiers has many important ramifications for advertising, but critically it means that most data-driven marketing capabilities, such as people-based marketing, frequency capping, (re-)targeting or measurement on desktop and mobile have become difficult in browser or in-app environments.

Third-party cookies facilitates audience reach but it is also a key element to retarget an individual after having visited a website without making a purchase. With cookies on the way out, targeting, retargeting and attribution will be far more complex.

As always with any changes taking place in the industry, the end of third-party cookies is shaking the status quo and creating some challenges, particularly for those who relied heavily on third-party data. This is driving a number of marketers toward ‘walled gardens’ as they hold critical first-party data, essential for granular targeting, measurement and attribution.”



Rémi

“Let’s first clarify what cookies are and what their use-cases are. Cookies are text files written to users’ computers to store preferences and other information used by the websites they visit. Cookies are generated either by the website that a user visits directly (first-party cookies) or by other domains or external services (third-party cookies).

Despite their limitations, cookies have served as a standard for vital use cases in digital advertising such as targeting audiences, establishing attribution, and enabling frequency capping for digital ad campaigns. These tiny files, written to consumers' computers to store identifying information used by websites and ad systems, have been the digital reference upon which brands, agencies, and adtech providers have built an entire digital marketing ecosystem.

Although they have had an enormous impact on the ways we think about and understand online privacy, cookies have been the *bete noire* of privacy advocates for decades. Their limitations are legion, and their useful life — at least in the case of the more problematic third-party cookies — is drawing to its close. Google's plan to discontinue support for third-party cookies in its web browser, Chrome, brings it in line with similar decisions by other browsers, including Microsoft Edge, Safari, Firefox, and Brave. Obviously, given Chrome's market share, Google's decision will have a profound impact on the industry, which will need to look for alternative ways to keep performing digital advertising's visual use-cases such as attribution."



Akshay

"Just as the rest of the advertising ecosystem, marketing attribution models will be significantly affected by the changes to third-party cookies. Without the old methodology, it will become far more difficult to identify, target, frequency-cap and measure users and create consistent user IDs across the marketing funnel.

It will also present a challenge for data management platforms (DMPs) and demand-side platforms (DSPs) that rely on cookies to identify, group and target audiences as well as reporting on user behaviour and conversions. Both advertisers and publishers will need to prepare for a world without third-party cookies."



Jamie

“We can still have attribution that links impressions to conversions using Universal IDs that don’t rely on third-party cookies, which will require brands to integrate an ID.

Currently DSPs handle attribution within their platforms by associating a third-party cookie in a conversion event on a **brand-owned site** to a third-party cookie associated with an impression

on a **publisher-owned site** - connecting these events in the same browser is turnkey, and connecting these events across devices is relatively simple when using an identity graph.

We can use a similar model when third-party cookies go away, where a Universal ID replaces the role of the third-party cookie. However, associating impression and conversion events across *different sites within the same browser* becomes much more difficult. Both brands and publishers will need to integrate infrastructure for a Universal ID. The good news is that authenticated Universal IDs work at a user-level, so they inherently solve cross-device attribution once they are integrated by brands.”

Q2. How will it be possible to deliver effective attribution in a post third-party cookie era?

Emmanuel

“Over the past few years, we’ve seen such a shift in marketers’ focus on cookies and tracking, trying to understand every step of a customer journey. This has led to an over-reliance on tracking every digital touch point, and particularly to multi-touch attribution. However, this has been to the detriment of trying to find more innovative ways to understand how a brand is perceived.

Once the third-party cookies disappear there will primarily be two solutions, one being authenticated audiences and the other anonymous.

Multi-touch attribution is not the only way and there is today a plethora of tools that can help to better understand performance, be it cohort analysis, segment analysis or marketing mix modelling for instance. In reality, attribution will still be possible, but just more complicated and a large part will be dependent on browsers.

Marketers need to prepare and start looking at how they can get the most out of their data, and look at various options available to them. For instance, shifting some budgets to new TV advertising channels such as CTV where there are no cookies. In TV environments, there are various ad measurement and attribution solutions already in place or under development that do not rely on third-party cookies.

There are many different forms of measurement used for a variety of needs. Different media are measured differently and the industry, and advertisers in particular, have to get used to living in a world with an array of measurement solutions. The key will be to bring cohesion between the various systems.

This is what some industry initiatives are trying to solve today, such as cross-media measurement project ‘Origin’ in the UK. The aim ultimately will be to enable advertisers to clearly understand and attribute the role and reach of each media platforms and the performance against set objectives. It will not happen overnight, but some good progress is already being made.”

Akshay

“1. Partnerships can be formed with publishers, networks and measurement companies to match passive exposure and respondent data. These integrations may allow for true cross-publisher, and cross-device measurement going forward.

2. Opportunity to see, or specific media consumption questions can still be used to model probability of exposure where passive exposure tracking is not possible. In some cases, and for some markets this may be the most appropriate methodology to isolate campaign impact. Probabilistic exposure approaches will increasingly be blended with passive exposure approaches. Also, validations versus passive approaches will be used to further refine and improve the accuracy of probabilistic predictions.

3. Controlled exposure (online or in-person) approaches are increasingly being used to compare the effectiveness of content across multiple different media contexts. This approach is also being used to measure content which has always been tricky to measure with cookies (e.g. influencer content or sponsorships).

4. Advanced analytics is currently being used, and can continue to be used to model campaign impact based on various datasets (such as survey, sales, and media spend/delivery data), to understand total return on investment.

5. Advertisers may use more experimental designs such as A/B split market testing to isolate impact (e.g. designing media plans with dark regions to enable simple measurement).

6. Working with publishers who can identify the exposure of their users on their platforms, and deliver surveys within their live environments (“polling”), will still be possible for single site analysis.

7. Other more custom approaches can be developed with purpose-built passive exposure tracking panels (e.g. using mobile metering), but volumes will remain low until management costs can be reduced. Which approach is most appropriate will depend on the activity an advertiser is looking to measure, feasibility of the different approaches in the market of measurement, the data sets and partnerships available in their market and to their brand, and the investment level available for measurement. As the industry continues to change in the coming years other methods may also become a possibility.”

Jamie

“Both brands and publishers need infrastructure that supports Universal IDs and allows them to replace the role of third-party cookies in the DSP in-platform attribution model. Publishers need the ID infrastructure to allow audience targeting on their sites, and brands need the ID infrastructure to trigger the Universal ID in a tag-based conversion event.

While addressability infrastructure for publishers is broadly available, the brand version of ID infrastructure is in the earlier stages of development by Universal ID providers.

Now let's speak to the notion of '*effective attribution*'. There are two components to *that*: scale and accuracy.

- **Scale:** This relates to the scale of a Universal ID across publisher supply and consumers' willingness to log in or contribute their email address. If a Universal ID isn't scaled across supply, then the new model isn't all that effective. What good is accurate measurement if there isn't much to measure? However, if Universal IDs do achieve a level of scale similar to third-party cookies, then attribution can be very effective.
- **Accuracy:** With authenticated Universal IDs that are based on email, attribution promises to be extremely accurate. We have a direct, yet privacy-friendly association between anonymised email and the identifier.

Third-party cookies are notoriously imperfect - people delete them, they expire, and their scale diminishes from cookie-syncing. Because of that, we might lose the ability to measure a cookie between an impression event and a conversion event.

Authenticated Universal IDs are based on email addresses that undergo multiple rounds of anonymisation, including hashing twice (changing characters and/or adding characters), and often various types of encryption, depending on the ID provider.

The underlying use of email addresses makes Universal IDs highly persistent - they are not subject to data loss the way cookies are. So we won't lose identifiers between the impression and conversion events. Association with email also removes the "guesswork" associated with cross-device attribution. It's the same ID on all devices. Thus, attribution with Universal IDs promises to be more accurate than the third-party cookie-based model."

Rémi

"The industry is already reacting the way it should have when GDPR and CCPA kicked in, and various initiatives both from independent adtech and big tech are allowing for the most essential adtech use cases to be supported in a privacy-preserving way. However, the end of cookies will have a dramatic impact on advertisers' ROI if they continue to rely on behavioural targeting techniques in the years to come. Fortunately, the knowledge exists to create privacy-preserving technologies that rise above the confusing and contorted, cookie-filled digital ecosystem that's generated such animosity among consumers, web content, and the brands who pay for it all."

Q3. Are third-party cookies the only route for attribution?

Emmanuel

“Third-party cookies are crucial to understand consumer journey across channels or campaigns, therefore in a post-cookie world, efficiency and measurement will be challenging but not impossible. On digital environment, new post-cookie solutions such as publisher ID’s, industry ID’s and clean room technologies will certainly make it possible for some form of measurement and attribution.

As mentioned earlier, investing in premium CTV environments for instance is a good idea. With many emerging app-based platforms and connected TVs appearing, which have never relied on cookies, new alternatives have surfaced and a myriad of identity solution providers have come out to try and solve for the post third-party cookie era.

These IDs (either deterministic or probabilistic) offer some interesting tools, however, there is a challenge for advertisers and publishers in keeping track and efficiently managing all these (often overlapping) IDs, as well as all the associated costs.

With privacy front of mind, the ability to leverage authenticated first-party data is a big opportunity for marketers. Taking advantage of contextual targeting capabilities for instance, will enable marketers to gain an edge in the post-cookie world. We’re seeing some positive moves with buy- and sell-sides of the industry finally working closer with measurement companies. They aim to establish standards for the various Advanced TV channels (CTV, OTT, VOD, data-driven and addressable TV) to evaluate campaign reach, targeting and performance, in line with the wider digital advertising world. As progress with measurement continues, more opportunities will open up to marketers.”

Akshay

“To keep it short NO. Today, you can use contextual as one of the other means to understanding how your audience can be built without the use of third-party cookies and it helps give you a more probabilistic understanding and a broader target group. Overlaying this data with your own first-party data will make it easier to understand how to better attribute touchpoints in the customer journey”

Rémi

“Attribution is key in digital advertising, to know how channels perform and inform budget allocations strategies. Marketers have spent years building attribution models leveraging third-party cookies that identify and follow web users across websites. With the demise of third-party cookies, these models will no longer work.

However, there are many routes to attribution. The use-case of attribution measurement can be performed without third-party cookies; various tools and techniques are now available or being developed. For instance, consortiums of adtech publishers are building new identifiers based on hashed emails, and Google Chrome is building the “Privacy Sandbox API” which redefines a way for marketers to interact with users without the cross-site tracking information ever leaving the browser.

Machine learning and artificial intelligence are key to making the most of these new data sources and filling the gaps left by third-party cookies. These tools will be able to process cohort data for example, that has been anonymised following anonymisation procedures such as K-anonymity or differential privacy, making it impossible to drill down to a specific user’s details. They will also help model and predict user behaviours based on the analysis of readily accessible, abundant data points available routinely from non-user-specific interactions with web content. This will help deliver efficiency and scale for advertisers and their supply chains.”

Jamie

“Attribution will ultimately depend on what approach a brand uses for targeting audiences.

Universal IDs aren’t the only addressability option for marketers. For example, marketers using advanced contextual targeting might elect to use a panel-based approach to measure campaign effectiveness.”

Q4. How can / how will cross-media measurement work in an evolving digital measurement landscape?

Jamie

“Universal IDs can enable effective cross-media measurement. Some Universal ID providers are developing a footprint across CTV, meaning the same ID associated with a CTV device could be associated with a browser. This would allow brands to conduct brand awareness campaigns that reach the living room, deliver lower-funnel messaging on browsers, and measure conversion on brand-owned properties where the Universal ID is consistent and measurable at a user-level across all devices.”

Akshay

“This is of course a great concern, but we have seen in the past as well that a probabilistic methodology is more efficient than a deterministic method of understanding if a person is logged in or not. Hence I believe that it will not have a great impact on the evolving landscape.”

Emmanuel

“There is currently no standalone data set that can provide a marketer with a full view of how media was consumed across all devices at any moment in time, or how a campaign impacted an outcome as a result of exposure across that media.

This means that the available data sets need to work together, reference and validate each other and often be merged to provide a fuller picture.

Alignment between attribution modelling, panel and census data-based media measurement proxies can also help measurement to be more efficient in terms of costs and ongoing analysis so advertisers can make smarter investment decisions, optimise reach and frequency and drive results.

In short, the path to cross-screen measurement involves more sophisticated and expansive data sets and modelling techniques, using multiple mechanisms and methodologies to get closer to the truth.”

Rémi

“We believe there are two main types of initiatives that in the future should support the use-case of attribution measurement in the digital advertising world.

Browsers / OS Initiatives

- Privacy Sandbox

When Google announced the deprecation of third-party cookies in Chrome (scheduled in 2023), it also introduced the Privacy Sandbox, a suite of APIs designed to safeguard key advertising use cases and ensure a greater commitment to users' privacy than GDPR. The basic hypothesis is that no third-party company should be allowed to perform cross-site tracking. To maintain key use cases derived from cross-tracking like attribution or frequency, marketers will be given access to conversion measurement APIs that operate under a privacy-preserving mechanism. An example of such a mechanism is differential privacy in which the fewer users concerned by a given request, the more random noise is added to the request, thus preventing the ability to access relevant information about any single user.

- SKAdnetwork

Apple proposed its own privacy-preserving framework to safeguard key mobile advertising use cases (like attribution), called SKAdnetwork and Private Click Measurement. Apple's iOS 14.5 prevents IDFA (Identifiers for Advertisers) tracking unless the user explicitly opted in. The initial experiments show that the opt-in rate is around 10 percent. Although the IDFA is not technically dead, many marketers see it as such. The main idea here is that when a user installs an advertised app, the device will store a pending install validation. If the user opens the app within an attribution time window, the device sends the install validation post back to the app vendor ad network with information about the campaign — but not about the user or the device.

Industry initiatives

- Unified IDs

Independent adtech is investing a lot of energy in building unified industry-wide IDs, ignoring old antagonisms and going beyond competitive considerations.

The main ID initiative is the Unified ID 2.0 solution led by a consortium including The Trade Desk (TTD) and Liveramp. The main principle of the proposal is for instance outlined on TTD's website. It builds on "Project Rearc", a roadmap created by members of the IAB in order to propose an independent solution to the ban on third-party cookies.

In a few words, it relies on a publisher alliance adopting "sign-on" walls and sharing an OpenID. This means that when a user visits welikeshoes.com, they will need to log in using the "openID single-sign-on" in order to see the content. Then, when they visit welikesocks.com, another website of the alliance, the user will need to click "login with OpenID" to access the content, and its browsing behaviour will be known by the whole independent ad tech ecosystem."



Q5. How can advertisers plan or adapt their attribution strategies for these changes?

Akshay

“Advertisers need to understand the different attribution models to begin with, after which they need to try and test a couple of them and see which one fits their overall strategy. I would recommend hiring people having this skill set and listening to them, checking the data and then making an informed decision about which attribution model works best for the company.

This of course is not an overnight journey and would require a lot of testing along with correct campaign setups etc to make sure that there is very little influence from external factors/sources or as we call it the unknowns. An effective way to start is to understand all the possible channels that are involved throughout the process and then try to put together the customer journey. Stepping into the customer’s shoes always puts the perspective of the customer right at the center, which of course helps drive the outcome.”

Rémi

“Heraclitus used to say that the only constant in life is change. Marketers might know it more than everyone else...”

The post-cookie world is shaping up to be even more fragmented. Witness several ad tech players announcing the creation of their own IDs, sometimes in consortiums (TTD’s Unified ID 2.0, Advertising ID consortium, and Nielsen ID) to safeguard cross-site tracking as it is today.

Platform agnostic technology that is both agile and flexible enough to integrate the different frameworks will be key for advertisers, agencies, and ad tech platforms to succeed in this new world. The beauty of standards diminishes the more there are. Coalescing the initiatives and ensuring interoperability is key.

Review current operations

Advertisers need to plan today to be ready for the post third-party cookies era. It starts with a review of the current practices and tools. Here are some questions advertisers can ask their agencies:

- What channel do we leverage, are they offering privacy-respecting and accurate measurement solutions?
- What percentage of my media spend relies on behavioral targeting and cross-site tracking? What risks to marketing returns do I face as those tactics are deprecated?

Leverage available and New Technologies

The ad tech economy is rich and technology abundant. For example, developments in AI are here and their methods rise above the need to invade user privacy to create performance and scale for advertisers. Instead, AI will use the plentiful, harmless, non-user-specific metadata from bid requests on websites to create better alignment between brands and consumers. The technology is poised not simply to remedy the limitations of the cookie and personal identifiers, but also to untangle the unfortunate relationship between privacy and performance and in marketing.

The future of adtech and the business growth it enables is bright. Together, we can seize this opportunity to grow the category and the significance of digital marketing, while reducing friction between consumers, brands, and the economic engine of the web.”

Jamie

“Brands will need to plan for attribution strategies that use Universal IDs as well as other strategies, such as panel-based measurement.

If brands want to continue using people-based marketing and measurement, they need to prepare now and begin transacting on Universal IDs, even in small campaigns, to help support the IDs’ growth in the ecosystem.

Brands need to work with their Universal ID provider and DSPs to understand how that ID will help them solve attribution and get a sense of development work that may be required on the brand's websites.

It is possible that Universal IDs won't have coverage over all of supply. So just as brands will need to use other addressability solutions to reach non-authenticated audiences, they will have to use other attribution strategies to measure those campaigns. Panel-based measurement seems to be an effective strategy in this case."

Emmanuel

"With fragmentation of viewing, interoperability is critical. For advertisers the key is in aligning data across platforms. This alignment will be required for all advertising activities, from planning, execution (activation and frequency management) to reporting, measurement and attribution.

We are in an experimentation phase, cooperation between all the industry players will be key and advertisers will have to reset measurement baselines and test new solutions."

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